

## **F. Program Income Reports.**

Introduction: Beginning in Program Year 2001-02, jurisdictions that have participated in the State CDBG Program are required to submit three Quarterly Program Income (PI) Reports and one Annual PI Report each year.

When To Submit: **Quarterly Program Income Report.** Submit this report by: October 31, January 31, and April 30.

**Annual Program Income Report.** Submit this report by August 15.

Note: Negative performance consequences, on new funding applications submitted to CDBG, may result from late reports – those submitted after the above deadlines:

Applicability: Both Quarterly and Annual Program Income Reports must be submitted by all grantees even if the amount of CDBG Program Revenue (PR) received during the applicable report period was zero or less than \$25,000. For each report, the jurisdiction must use a single report form for the receipt of Program Revenue from all CDBG open and closed grants and Revolving Loan Account (RLA) sources, and all expenditures of PI.

Note: See Chapter 14 for more information about PI.

How To Submit: Submit an original and **three (3) copies** to:

Department of Housing and Community Development  
Division of Community Affairs/State CDBG Program  
Attn: Fiscal Unit  
2710 Gateway Oaks Drive  
North Building, Suite 190  
Sacramento, CA 95833

General Instructions: Jurisdictions that could potentially earn PI from CDBG activities must adopt, by resolution, a PI Reuse Plan that meets CDBG requirements and is approved by the CDBG Program. All such jurisdictions must submit the required Quarterly and Annual PI Reports. Each jurisdiction must prepare one report, for each report period that covers all CDBG PR/PI activity for the entire jurisdiction. **Note:** If the CDBG Program Revenue, net of the costs of collecting this revenue, earned from all CDBG-funded activities during the program year is less than \$25,000, it does not have to be considered PI, but the above reports must still be prepared and submitted showing this revenue, any PI expenditures, and all PI account balances.

**ANNUAL PROGRAM INCOME REPORT** Complete the entire form even if your jurisdiction received less than \$25,000 of program revenue during the report period.

**Heading** - The information requested is self-explanatory.

**Section I.** Summarize the Program Revenue (PR) received from loans made from open and closed CDBG grant proceeds.

1. In column A, list the grant number of each CDBG grant that could potentially produce PR.
2. In column B, summarize the gross amount of PR received under each listed grant.
3. In column C, if claiming net PR, summarize the costs associated with collecting the PR.
4. In column D, if claiming net PR, calculate by subtracting costs of collection from gross PR. If this option is not used, gross PR will be considered as the jurisdiction's PR for the report period.

**Section II.** Summarize the Program Revenue (PR) received from loans made from RLAs.

1. In column A, list each RLA authorized in the jurisdiction's PI Reuse Plan.
2. In column B, summarize the gross amount of PR received under each listed RLA.
3. In column C, if claiming net PR, summarize the costs associated with collecting the PR.
4. In column D, if claiming net PR, calculate by subtracting costs of collection from gross PR. If this option is not used, gross PR will be considered as the jurisdiction's PR for the report period.

**Section III.** Summarize the CDBG Program Revenue (PR).

1. In column A, report the net PR from grants (Section I.D), or, if net is not used, the gross PR (Section I.B).
2. In column B, report the net PR from RLAs (Section II.D), or, if net is not used, the gross PR (Section II.B).
3. In column C, enter the bank interest earned on all PI and/or PR during the program year, whether in an RLA or other PI or PR holding account.
4. In column D, sum the total PR (Columns A+B+C)

NOTE: The Total PR will be **the total PI earned during the annual report period, as stated in Section III.D.** If the total PR earned is less than \$25,000, the income may be classified as miscellaneous revenue by the jurisdiction.

**Section IV.** Summarize the disposition of Program Income (PI) for the FY. Once the jurisdiction has determined that \$25,000 of PR has been or will be received, then all PR is considered to be PI. Any PI that is not returned to the Department must be either deposited into a revolving loan account (RLA) or be associated with an open CDBG grant.

1. In column A, list all revolving loan accounts by name, and list any CDBG grant numbers to which the jurisdiction has associated any PI received during this report period.
2. In column B, list the corresponding amounts of PI. The Column B Total must equal Section III, Column C.

NOTE: Amounts associated with an open CDBG grant must also be reported on the Financial and Accomplishment Report (FAR) for the grant, in Section II – Expenditure of Match/Leverage and Program Income.

**Section V.** Summarize, in detail, expenditures of PI from RLAs for revolving and non-revolving activities.

1. In column A, list the jurisdiction's RLAs.
2. In column B, report the amounts expended for revolving activities for each RLA.
3. In column C, report the amounts expended for non-revolving activities (grants, activity delivery, and general administrative costs including planning activities.) This amount must be 49 percent or less of column D.
4. In column D, report the total amount of PI expended (col. B+C).

**Section VI.** Summarize, in detail, expenditures of PI committed to CDBG grants.

1. In column A, list the open CDBG grant to which the PI was committed.
2. In column B, list the name of the account or fund in which the committed funds are kept.
3. In column C, list the total PI that has been committed to the grant in all years. This may include grants, loans, activity delivery, and general administrative costs including planning activities.
4. In column D, list the amount of PI that was previously expended on the activities under this grant.
5. In column E, list the amount of PI that has been expended on the activities under this grant during this reporting period.
6. In column F, list the amount of committed PI not yet expended for the activities under this grant.

**Section VII.** Summarize the jurisdiction's administrative expenditures.

1. In column A, summarize the total amount of PI expended during the report period, as instructed.
2. In column B, summarize the general administrative expenditures, including any planning activity costs, or match for CDBG Planning and Technical Assistance Grants, for the report period.
3. In column C, calculate the percentage of total PI expenditures that were used for administration.

NOTE: Funds expended for general administration are limited to 18% of total PI expenditures for the year, and may come from RLAs as part of the 49% allowed for non-revolving expenditures, and/or may come out of the amounts committed to open grants. We recommend limiting general administration expenditures to 18 percent of the total expenditures from each such source, each year.

**Section VIII.** Summarize the Revolving Loan Account (RLA) Balances.

1. In column A, list the names of all of the jurisdiction's RLAs.
2. In column B, list the beginning balance of the RLA. The beginning balance should be the ending balance reported on the most recent PI Report, whether Annual or Quarterly.
3. In column C, list the amount of PI that was deposited into each RLA (from Section IV., Column B.) during the reporting period.
4. In column D, list the amounts expended during the reporting period from each RLA.
5. In column E, list amounts transferred from (-) one RLA and into (+) another RLA, and/or transfers from RLAs to open CDBG grants. In Section X, explain purposes and amounts of all transfers.
6. In column F, calculate the ending balance for each RLA.

**Section IX.** Summarize fourth quarterly PI expenditures from RLAs.

1. In column A, list the names of all of the jurisdiction's RLAs.
2. In column B, summarize the fourth quarter (April 1 to June 30) expenditures for each RLA.

NOTE: Amounts reported in Sections I to IX should agree with the official accounting records.

**Section X.** Add your comments to explain situations that do not fit within the format of this form. Examples are, excess PI on hand, negative balances, and transfers of funds between accounts.

**Section XI.** The jurisdiction will provide this certification that the report is accurate and that all PI was expended for CDBG eligible activities that addressed a national objective.

## **QUARTERLY PROGRAM INCOME REPORT** Complete the entire form each report period.

**Heading** - The information requested is self-explanatory except for “Report Period.” On this line, please insert the applicable quarter’s beginning and ending dates, as follows: July 1 to September 30; October 1 to December 31; or January 1 to March 31, including the year.

**Section I.** Summarize the CDBG Program Revenue (PR) received during the reporting period. If you have a detailed accounting system, then the costs incidental to the generation of PR may be deducted from gross income to determine net PR. Once the jurisdiction has determined that \$25,000 of PR has been or will be received, then all PR is considered to be PI. PI can only be expended in conjunction with an open grant, deposited into a revolving loan account, or returned to the Department.

1. In column A, summarize the PR received from CDBG grants.
2. In column B, summarize the PR received from RLAs.
3. In column C, total the two sources to determine total PR.

**Section II.** Summarize the PI Expenditures made during the reporting period.

1. In column A, summarize PI expenditures for the same activity as an open grant. Such expenditures do not require a grant amendment, but must be expended before drawing down U.S. Treasury funds. Please notify your CDBG or EDBG Representative at HCD of your use of this option, and also report such expenditures on the Financial and Accomplishment Report (FAR) for the grant.
2. In column B, summarize PI expenditures on activities amended into open grants. Such PI-funded activities are amended into an open grant, with CDBG approval, to authorize spending PI on an activity not included in the grant or the jurisdiction’s PI Reuse Plan. Such expenditures must also be balanced with and reported on the quarterly FAR for the grant.
3. In column C, list all of the jurisdiction’s RLAs and report the amounts expended from each RLA.
4. In Column D, total the expenditures.

**Section III.** Summarize the Program Income balances for the beginning and end of the quarter.

1. In column A, list the revolving loan accounts and other PI accounts by name. Each RLA must be for a one, specific, CDBG activity. Multi-activity RLAs are not allowed.
2. In column B, report the beginning balance for each account. This is the ending balance of the jurisdiction’s most recent Quarterly or Annual PI Report.
3. In column C, summarize the net change in each account, including income, expenditures and transfers. The Total Net Change should equal the difference between the Section I and Section II Totals.
4. In column D, compute the ending balance for each account.

**Section IV.** Provide comments on additional information that the Department will need to understand in order to analyze your report, such as the nature of any transfers between accounts, any negative balances, and the reason for any high account ending balances.

**Section V.** The jurisdiction will provide this certification that the report is accurate and that all PI was expended for CDBG eligible activities that addressed a national objective.

Jurisdiction Name: \_\_\_\_\_

**State of California, Department of Housing & Community Development**  
**Community Development Block Grant Program**  
**ANNUAL PROGRAM INCOME REPORT**

Report Period: July 1, 200\_\_ to June 30, 200\_\_

Report Prepared By: \_\_\_\_\_ Date of Reuse Plan Approval Letter from HCD: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_; Email Address: \_\_\_\_\_

**SECTION I. PROGRAM REVENUE RECEIVED FROM OPEN AND CLOSED CDBG GRANTS**

A. CDBG Grant Number	B. Gross Program Revenue Received	C. Cost of Collection of the Revenue <sup>(1)</sup>	D. Net Program Revenue Received <sup>(2)</sup>
1.	\$	\$	\$
2.	\$	\$	\$
3.	\$	\$	\$
4.	\$	\$	\$
5.	\$	\$	\$
<b>TOTAL:</b>	\$	\$	\$

**SECTION II. PROGRAM REVENUE RECEIVED FROM REVOLVING LOAN ACCOUNTS (RLAs)**

A. RLA Name (List All)	B. Gross Program Revenue Received	C. Cost of Collection of the Revenue <sup>(1)</sup>	D. Net Program Revenue Received <sup>(2)</sup>
1.	\$	\$	\$
2.	\$	\$	\$
3.	\$	\$	\$
4.	\$	\$	\$
5.	\$	\$	\$
<b>TOTAL:</b>	\$	\$	\$

(1) If claiming net PR, include in Column C costs such as loan servicing fees, or other fees associated with loan collection, by grant.(2) Only report revenue earned such as loan payments and interest. All Columns must be used if claiming net PR, or put gross PR in B&**SECTION III. TOTAL PROGRAM REVENUE**

A. Program Revenue Received from <u>Grants</u> (Section I.B or D.)	B. Program Revenue Received from <u>RLAs</u> (Section II.B or D.)	C. Total Bank Acct. Interest Earned	D. Total Prog. Rev. (Cols. A+B+C)
\$	\$	\$	\$

**SECTION IV. DISPOSITION OF THIS PERIOD'S PROGRAM INCOME**

A. Where Was the PI Placed? (RLA Name, or Grant No.)	B. Amount <sup>(3)</sup>
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
<b>TOTAL:</b>	\$

(3) Total must equal Section III.D. In Section X, explain the specific use(s) of funds committed to open grants in FY.

**SECTION V. EXPENDITURES OF PI FROM RLAs**

<b>A. RLA Name (List All)</b>	<b>B. PI Expended for Revolving Activities<sup>(4)</sup></b>	<b>C. PI Expended for Non- Revolving Activities<sup>(5)</sup></b>	<b>D. Total PI Expended (Columns B + C)</b>
<b>1.</b>	\$	\$	\$
<b>2.</b>	\$	\$	\$
<b>3.</b>	\$	\$	\$
<b>TOTAL:</b>	\$	\$	\$

(4) At least 51% of PI disbursed during FY must be for revolving activities.

(5) For each RLA up to 49% of PI disbursed during FY can be for non-revolving activities. Column C for each RLA cannot exceed 49 percent of column D for each RLA.

**SECTION VI. EXPENDITURE OF PI COMMITTED TO CDBG GRANTS<sup>(6)</sup>**

<b>A. CDBG Grant Number</b>	<b>B. Account Name</b>	<b>C. Total PI Committed to this Grant</b>	<b>D. Expended Previously</b>	<b>E. Expended this FY</b>	<b>F. Un-Expended Balance (Column C.-D.-E.)</b>
<b>1.</b>		\$	\$	\$	\$
<b>2.</b>		\$	\$	\$	\$
<b>3.</b>		\$	\$	\$	\$
<b>4.</b>		\$	\$	\$	\$
<b>5.</b>		\$	\$	\$	\$
<b>6.</b>		\$	\$	\$	\$
<b>7.</b>		\$	\$	\$	\$
<b>TOTAL:</b>		\$	\$	\$	\$

(6) The amounts reported in this section must also be reported on, and balance with, the Financial and Accomplishment Reports (FARs) for each grant. Column C includes amounts from Section IV, Section VIII.E, and prior year commitments, as applicable.

**SECTION VII. ADMINISTRATIVE EXPENDITURES**

<b>A. Total PI Expended (Section V.D. + VI.E)</b>	<b>B. Amount Expended for General Administration, Including Planning Activities</b>	<b>C. Percent<sup>(7)</sup> (B.÷A.)</b>
\$	\$	%

(7) Cannot exceed 18%

**SECTION VIII. RLA BALANCES**

<b>A. RLA Name (List All)</b>	<b>B. Beginning Balance<sup>(8)</sup></b>	<b>C. Total PI Deposited (Sec. IV, Col. B)</b>	<b>D. Tot. PI Expended (Sec. V., Col. D)</b>	<b>E. Transfers Between RLAs<sup>(9)</sup> or To a CDBG Grant<sup>(10)</sup></b>	<b>F. Ending Balance (Cols. B+C- D+E)<sup>(11)</sup></b>
<b>1.</b>	\$	\$	\$	\$	\$
<b>2.</b>	\$	\$	\$	\$	\$
<b>3.</b>	\$	\$	\$	\$	\$
<b>TOTAL:</b>	\$	\$	\$	\$	\$

(8) The beginning balance is the ending balance from the previous year's Annual PI Report. In Section X, explain negative RLA balance.

(9) Transfers of funds between RLAs must be preceded by a properly noticed CDBG citizen participation public hearing, and should net zero. Show +/- and include an explanation of such transfers in Section X, Comments.

(10) Show with a minus sign, include in Section VI.C. In Section X, explain purposes and amounts transferred to open grants in FY.

(11) In Section X, explain any RLA balances that are negative, or are larger than one unit of delivery for that RLA.

SECTION IX. FOURTH QUARTER PI EXPENDITURES FROM RLAs	
A. RLA Name (List All)	B. Expenditures, Fourth Quarter Only <sup>(12)</sup>
1.	\$
2.	\$
3.	\$
TOTAL:	\$

(12) Complete this table for the fourth quarter (April 1 to June 30), only.

SECTION X. COMMENTS <sup>(13)</sup>

(13) Explain situations noted in footnotes 9, 10 or 11, plus any other factors necessary for understanding your report.

SECTION XI. GRANTEE CERTIFICATION OF REPORT	
This certification indicates that this report is true in all respects and that all program income expenditures were for CDBG-eligible activities that addressed CDBG national objectives, and Department approval was obtained in advance.	
Authorized Signature:	Title:
Print Name:	Date:

**State of California, Department of Housing & Community Development**  
**Community Development Block Grant Program**  
**QUARTERLY PROGRAM INCOME REPORT**

Jurisdiction: \_\_\_\_\_ Report Period: \_\_\_\_\_ to \_\_\_\_\_  
 Report Prepared By: \_\_\_\_\_ Date of Reuse Plan Approval Letter from HCD: \_\_\_\_\_  
 Telephone Number: \_\_\_\_\_; Email Address: \_\_\_\_\_

**SECTION I. PROGRAM REVENUE FOR THE QUARTER**

<b>A.</b> <b>From Grant Loans<sup>(1)</sup></b>	<b>B.</b> <b>From RLA Loans<sup>(1)</sup></b>	<b>C.</b> <b>Total</b>
\$	\$	\$

(1) It is acceptable to show net Program Revenue (PR), after deducting costs of obtaining the PR.

**SECTION II. PROGRAM INCOME EXPENDITURES FOR THE QUARTER<sup>(2)</sup>**

<b>A.</b> <b>On the Same</b> <b>Activity as an</b> <b>Open Grant<sup>(3)</sup></b>	<b>B.</b> <b>Amended Into an</b> <b>Open Grant for a</b> <b>Different Activity<sup>(3)</sup></b>	<b>C.</b> <b>Through an RLA</b>		<b>D.</b> <b>Total</b> <b>Expenditures</b> <b>(Col. A+B+C)</b>
		<b>RLA Name</b>	<b>Amount</b>	
			\$	
			\$	
			\$	
\$	\$	<b>TOTAL:</b>	\$	\$

(2) Summarize all expenditures, including activity, activity delivery, and general administration. See the most current CDBG Grant Management Manual, Chapter 14, for an explanation of the three expenditure types.

(3) These expenditures must also balance with, and be reported on, the quarterly FAR for the associated CDBG or EDBG grant.

**SECTION III. PROGRAM INCOME BALANCES**

<b>A.</b> <b>RLA Name or Other PI Account Names<sup>(4)</sup></b>	<b>B.</b> <b>Beginning Balance<sup>(5)</sup></b>	<b>C.</b> <b>Net Change<sup>(6)</sup></b>	<b>D.</b> <b>Ending Balance<sup>(7)</sup></b>
<b>1.</b>	\$	\$	\$
<b>2.</b>	\$	\$	\$
<b>3.</b>	\$	\$	\$
<b>4.</b>	\$	\$	\$
<b>TOTALS:</b>	\$	\$	\$

(4) An "Other PI Account" holds PI currently being spent on an open grant and/or program revenue that has not yet reached \$25,000.

(5) The Beginning Balance is the Ending Balance reported on the most recent previous PI Report, whether Annual or Quarterly.

(6) Include the net of income, expenditures, and transfers between RLA's. The Total Net Change should equal the difference between the Section I and Section II Totals.

(7) Include in the Comment Section, an explanation of any RLA Ending Balances that exceed one unit of delivery (the amount of one typical loan plus administrative costs, of the type described for the RLA), and the reason for any negative RLA balances.

**SECTION IV. COMMENTS**


**SECTION V. GRANTEE CERTIFICATION OF REPORT**

This certification indicates that this report is true in all respects and that all program income expenditures were for CDBG-eligible activities that addressed a national objective, and Department approval was obtained in advance.

Authorized Signature: _____	Title: _____
Print Name: _____	Date: _____